



MISSION FOR PAKISTAN AND AFGHANISTAN

SUBPROJECT ASSISTANCE COMPLETION REPORT (PACR)

FOR THE

NATHAN-BERGER AFGHANISTAN STUDIES CONTRACT

UNDER THE

COMMODITY EXPORT PROGRAM (CEP)
(PROJECT NUMBER 306-0205)

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COMMODITY EXPORT PROGRAM
(306-0205)
SUBPROJECT COMPLETION REPORT (PACR)
4-15-1994

I. BASIC SUBPROJECT DATA:

<u>Action</u>	<u>Dates</u>	<u>CCO</u>	<u>Auth. Amt.</u>
Contract signed; provide incremental funding	Jan. 18, 1989	Dec. 31, 1991	\$400,000
Contract mod. 01; provide incremental funding	Apr. 30, 1989	Dec. 31, 1991	\$222,000
Contract mod. 02; provide incremental funding	Sep. 10, 1989	Dec. 31, 1991	\$100,000
Contract mod. 03; provide incremental funding from TSSP (306-0200)	Sep. 27, 1989	Dec. 31, 1991	\$39,424
Contract mod. 04; establish indirect cost rates and ceilings	Dec. 12, 1989	Dec. 31, 1991	N/A
Contract mod. 05; provide incremental funding	Feb. 7, 1990	Dec. 31, 1991	\$650,000
Contract mod. 06; change of name: Nathan Associates	Apr. 25, 1990	Dec. 31, 1991	N/A
Contract mod. 07; provide incremental funding	Jun 24, 1990	Dec. 31, 1991	\$200,000
Contract mod. 08; include clause "Prohibition on Assistance to Drug Traffickers"	Oct. 8, 1990	Dec. 31, 1991	N/A

Contract mod. 09: change contractor's address	Dec. 9, 1990	Dec. 31, 1991	N/A
Contract mod. 10; provide incremental funding, and extend CCD	Mar. 25, 1991	Dec. 31, 1992	\$500,000
Contract mod. 11; realign contract budget line items	Jan. 16, 1992	Dec. 31, 1992	N/A
Contract mod. 12; extend CCD	May 20, 1992	Sep. 30, 1993	N/A
Contract mod. 13; approve travel outside of the US	Jul. 27, 1992	Sep. 30, 1993	N/A
Contract mod. 14; extend CCD	Sep. 12, 1993	Dec. 31, 1993	N/A
Total:			<hr/> \$ 2,111,424 <hr/>

II. BACKGROUND TO THE SUBPROJECT:

A modest program of direct USAID assistance to the war-affected population of Afghanistan began in FY 1985, using International Disaster Relief funds. This program provided \$8 million in grants to US and European Private Voluntary Organizations (PVOs) to implement assistance activities in health, education, food aid and agricultural production for war-affected Afghans. The overall objective of the USAID program at that time was to improve the capability of the Afghans to sustain themselves inside Soviet-occupied Afghanistan, with the aim of providing support so that the refugee flows into neighboring countries were stemmed and to encourage, over time, the voluntary repatriation of Afghans to resistance-controlled areas.

In FY 1986, with the establishment of a separate Office of the A.I.D. Representative for Afghanistan Affairs in Islamabad, Pakistan ("O/AID/Rep" or "the Mission"), a longer-term humanitarian assistance program was initiated to continue funding PVO activities as well as to design and implement sectoral cross-border humanitarian assistance projects in cooperation with the Afghan Resistance Alliance and the seven parties (tanzeems) which constituted it. A PL-480 Title II emergency food assistance program and a Department of Defense humanitarian relief program (the MCollum Program) were also initiated.

The Commodity Export Program (CEP, 306-0205) was designed and initiated in 1986 to provide war-affected Afghans with a range of humanitarian commodities such as food packets, clothing, shelter materials, and animal transportation and logistics (the pack-mule project element). The project was redesigned in May 1988 to add, among others, a studies component.

The June 1988 amendment to the CEP recognized the need for quick-response studies, consultancies and project design/redesign assistance which could bypass the tedious and often drawn-out process of the Indefinite Quantity Contracts (IQCs). These studies, analyses, consultancies and design/redesign inputs were to provide the basis for improved informed program decision-making, particularly for commodity and logistics assistance as well as for anticipated post-conflict reconstruction assistance, and eventually for Afghanistan's longer-term development. This IQC-type contract was competitively awarded to the joint venture of Rol ert R. Nathan Associates and Louis Berger International (Nathan-Berger JV) in November, 1988.

The contract was let and signed after the tripartite Geneva Accords on Afghanistan, which called for a Soviet troop withdrawal to be completed by February, 1989. It was widely anticipated that the Soviet-supported communist regime in Kabul would collapse soon thereafter,¹ and the contract anticipated needs by the Mission as well as by a new resistance-led government in Kabul. The communist regime, however, hung on despite the disappearance of its Soviet military support; the fighting became a civil war, pitting Afghan against Afghan, and the regime did not collapse until April 1992. In the meantime, the Mission decided to use the Nathan-Berger contract selectively for special studies in implementing the Mission's annual analytical agenda, for program planning and design purposes, and for advisory services to the Peshawar-based Afghan Interim Government (A.I.G.).

III. SUBPROJECT GOAL AND PURPOSE:

The objective of the contract was stated to be as follows in the RFP's scope of work:

"The objective is the preparation of studies to be used by the Office of the A.I.D. Representative for Afghanistan Affairs (O/AID/Rep), and perhaps other donors, for the planning, design and implementation of projects to provide assistance to Afghanistan for its reconstruction and the beginning of economic development. The Mission's continued association with one contractor in preparation of these studies will foster a collaborative and knowledgeable relationship between the Mission and the Contractor's home office coordinator and senior consultants, thereby enabling a high degree of continuity, faster response time, more appropriate selection and briefing of team personnel, and consistency among the studies. The objective is a constantly improving A.I.D. program of assistance to Afghanistan."

¹ There was an official wager among the international membership of the American Club in Peshawar as to the official date of the demise of the Najibullah regime. Nobody won.

It was anticipated (again, the source is the background documentation to the RFP) that the contractor would provide teams of experts to investigate, gather and analyze data, examine alternative approaches to resolve reconstruction and development problems, design development projects for financing by USAID and/or conduct pre-feasibility/feasibility surveys, geographic area, micro/macro economic, and sector-specific studies. The teams could also produce, for final USAID approval, Activity Identification Memoranda (O/AID/Rep's equivalent to PIDs) and Activity Approval Memoranda (O/AID/Rep's equivalent to PPs), and they might conduct evaluations of ongoing activities or assist the Mission with its strategic planning. An Objectives Workshop was held in Washington in August 1989, attended by the project officer and deputy program officer, who happened to be there on home leave at the time, and a general work plan was sketched out.

IV. SUBPROJECT COMPONENTS:

A. STUDIES

Of the 29 Delivery Orders (DOs) undertaken under this subproject, 11 were of a general economic nature. Since socio-economic and financial statistics on Afghanistan were either unreliable, conflicting or unavailable, one of the earliest DOs developed a Data Base for Afghanistan; this was subsequently updated and expanded two years later. Other studies of a general economic nature were: Cross-border Trade (I and II); the development of a computer-assisted foodgrains availability model, AFGRAIN; a study on the nation's external indebtedness and the rationale for debt-forgiveness; post-war credit needs; land ownership; mineral resources development; water constraints; and an initial environmental assessment of post-war Afghanistan. Many of these studies had a wide readership outside the Mission and were especially popular with major bilateral and potential multilateral donor agencies.

B. EVALUATIONS:

Two major evaluations were carried out under the Nathan-Berger contract, one of the Mission's health sector portfolio, and an evaluation of the capabilities of the Afghan Construction and Logistic Unit (ACLU) to survive as an independent entity.

C. SPECIAL CONSULTANCIES

1. CONSULTANCIES FOR THE AFGHAN INTERIM GOVERNMENT (A.I.G.):

Two consultancies were carried out under this contract in 1989. The first one was an analysis of the 1989 political and economic situation in Afghanistan, i.e., a "lay-of-the-land" study for the newly formed A.I.G. The second study was carried out for the A.I.G.'s Finance Minister and focussed on some critical issues in the country's monetary and financial systems. The first study was carried out by an Afghan -- the former Director of the country's Planning Agency in pre-war Kabul; the second by an American economist.

2. CONSULTANCIES TO O/AID/REP FOR PROGRAM DIRECTION AND ANALYSIS

Consultancies and studies undertaken in support of overall program development and emphasis include:

- A 1990 consultancy to consider the expansion of activities being undertaken by the O/AID/Rep-supported Afghan Construction and Logistics Unit (ACLU);
- A feasibility assessment and pilot design of a proposed farmer-to-farmer training program;
- A workshop on project objectives and prospects;
- A complex consultancy on developing Program Performance Indicators (PPIs), which developed baseline data from which progress indicators could be developed; and
- A consultancy on the Mission's proposed anti-narcotics strategy.

D. PROJECT DESIGN/REDESIGN ACTIVITIES:

This turned out to be a significant element of the subproject and one of its greatest contributions to the successful implementation of the contract. Studies and consultancies undertaken under this subproject included, the redesign of the Mission's largest and most complex project, a training needs survey, studies for and design of a new human resources project, studies underlying the design of a proposed new anti-narcotics project, and design support for proposed new projects in primary education and maternal and child health (MCH).

Due to the vagaries of the Afghanistan program, the Human Resources Development Project was authorized in late 1991 and commenced implementation in early 1992, only to be sharply curtailed under a renegotiated contract when Mission budget allocations were sharply reduced by Washington. The proposed new anti-narcotics project was designed and submitted to Washington for approval. There it ran into considerable Congressional (and therefore USAID) concerns which prompted the Mission not to go ahead with it. The proposed new projects in the maternal and child health sector and in primary education never saw the light of day, as a result of the Administrator's decision in November 1993 to close out the Afghanistan program by June 30, 1994. These developments do not detract, however, from the solid professional contributions made in the course of the various design processes by the Nathan-Berger consultants and studies.

V. INPUTS:

Because of the nature of the Afghan Cross-border Humanitarian Assistance Program, and the lack of a counterpart government, all funds were obligated into individual delivery orders, administrative overhead and a fixed fee of \$50,000. This was a unilateral activity under a unilateral project (CEP); hence, no contributions in this activity were included from the government of Afghanistan (nor from other donors).

The contractor's main inputs were making available uniformly high calibre personnel, in-house information and data processing/analysis capabilities, and good quality contract management and program backstopping personnel. Between the timing of our requests for delivery orders with draft scopes of work, and their response, Nathan-Berger's turn-around time was impressive. The flexibility and creativity which this afforded the Mission was one of the subproject's main achievements.

The Home Office Coordinator (initially, Harvey Lerner from Louis Berger International -- an old hand at project management and with years of in-country experience in Afghanistan; and later Dr. Thomas Timberg, a development economist of international repute) was responsible for negotiating each delivery order; recruiting suitable candidates for study teams and consultancies; providing initial briefings for these individuals; fielding teams and individuals with sufficient logistic support to accomplish their tasks; and serving as general liaison between the contractor and the Mission's project manager.

The Local Representative (Ms. Aroona Kamal) was to be responsible for arranging all logistical support in Pakistan and Afghanistan, including introductions to relevant personalities. She was also responsible for making arrangements for office space and facilities, appointments, secretarial support for the teams and consultants and so forth. She was to be the custodian for the contractor's local currency costs for local researchers as well as for the supervision of work. She served as the contractor's field liaison officer with the Mission. This was a wobbly operation from the start and never really worked well. The local office was closed after about a year's trials and errors. Study teams and individual consultants received technical and professional support from the Mission's technical officer (contract manager), and logistical and administrative/secretarial support from Mission staff at the Office of the A.I.D. Rep. and at Mission annexes in Islamabad, Peshawar and Quetta. There was really no need for a Local Representative. However, the contract specified that "The contractor will be required to establish a presence in Pakistan to coordinate logistic support," and they did so until we mutually decided to have that operation wound up.

All delivery orders were issued by the Mission's Contracting Officer. Delivery orders were negotiated based on:

- a) written requests accompanied by a draft scope of work and recommendations for specific types of technical expertise associated with each delivery order, from the Mission; and
- b) a written proposal from the contractor containing the following information:

- a proposed time schedule for completion of the work;
- a pricing proposal;
- the work to be performed;
- time and place of performance;
- the number of work days ordered;
- fixed daily rate for each consultant/researcher;
- a ceiling price; and
- USG-furnished property and logistical support (if any), to be supplied by the contractor (such as lap top computers), or alternative means of obtaining these.

VI. ACCOMPLISHMENTS:

A total of 30 delivery orders were developed, of which 29 were successfully executed and implemented (one was cancelled by the mission after all the preliminary work had been put into place). Of this total, 11 were studies of a general socio-economic nature:

DO#1: Macro-economic Database Development (Phase I),	1990
DO#2: Profile of Private Sector Cross-border Trade between Afghanistan and Pakistan (Phase I),	1989
DO#7: Private Sector Cross-border Trade between Afghanistan and Pakistan (Phase II),	1990
DO#10: AFGRAIN; Afghanistan Food Needs Assessment (methodology for forecasting),	1990
DO#11:Debt Forgiveness for Afghanistan,	1990
DO#12:Post-war Credit Needs for Afghanistan,	1991
DO#13:Afghanistan Land Ownership,	1991
DO#14:Macro-economic Database Development(Phase II),	1991
DO#15:Mineral Resources in Afghanistan,	1992
DO#16:Afghanistan Water Constraints Overview,	1992
DO#20:Environmental Profile of Afghanistan,	1992

These studies were carried out as part of the Mission's annual Analytical Agenda, to which other contractors and grantees in the agriculture, health, education and logistics sectors also contributed. The Nathan-Berger studies were forward-looking, contributing to general knowledge and information necessary for post-conflict decision-making. Copies were eagerly

sought by the World Bank, Asian Development Bank, various United Nations organizations, as well as potential future bilateral donors (Germany, UK, Canada, the European community, the Nordic countries, etc.).

Two consultancies were undertaken specifically in support of the newly-created Afghan Interim government in 1989:

DO#5: The Current Political and Economic Situation in Afghanistan,	1989
DO#6: Advice to the A.I.G. on the Afghan Monetary and Financial System,	1989

Furthermore, two evaluations were carried out as part of this contract:

DO#21: Afghanistan Program Health Sector Evaluation,	1992
DO#28: Review of the Afghan Construction and Logistics Unit (ACLU): Assessment of the Capabilities of the Organization,	1993

Twelve studies and consultancies were undertaken in support of the Mission's project design/redesign work over the years, as follows:

DO#3: Expansion of the Activities of the Afghan Construction and Logistics Unit,	1990
DO# 8: Afghanistan: Farmer-to-farmer Training Program -- Feasibility Assessment and Pilot Design,	1990
DO# 9: Commodity Export Program Redesign,	1990
DO# 18: Afghanistan Human Resources Development: Training Needs Survey,	1991
DO# 19: Afghanistan Human Resources Development: Project Design,	1991
DO# 22: Anti-narcotics Strategy Development; Freight Rates Tracking System,	1992
DO# 23: Opium Subsector Survey,	1992
DO# 24: Survey on Afghan Drugs, Attitude and Media Accessibility,	1992
DO#25: A.I.D. Mission Options for a Drug Control	

Strategy,	1992
DO# 26: Research Support for Design of the Proposed Afghanistan Projects in the Primary Education and Health Sectors,	1993
DO# 27: Institutional and Administrative Analysis for the proposed Afghanistan MCH Sector Project,	1993
DO# 29: Project Paper Drafting/Editing for the Proposed Afghanistan MCH Sector Project,	1993

One delivery order was undertaken to assist the Mission in putting into place a set of program performance indicators which would serve to track progress being made over time in achieving various project/subproject objectives. The study developed a set of baseline data from which to monitor and measure project performance:

DO# 17: Afghanistan Program Performance Indicators: Baseline Study,	1991
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And finally, one delivery order was implemented in August 1989, as a team-building exercise between O/AID/Rep staff and Nathan-Berger and its two institutional subcontractors Education Development Center, Inc. (EDC) and Atlas Associates in Washington DC:

DO# 4: Workshop on Project Objectives and Prospects,	1989
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VII. LESSONS LEARNED:

- A. The contract was let in 1988 for a three year period, in anticipation of a quick collapse of the communist regime in Kabul after the Soviet troop withdrawal in early 1989, and the creation of a non-communist successor government. This critical assumption did not come to pass. The Najibullah regime collapsed in April 1992 but the resistance parties and remnants of the old regime have not been able to put together a workable government. Despite this, the contract has been very useful to the Mission, and even though expenditures were slower than originally anticipated, Nathan-Berger produced a great variety of good quality, low-cost products (at an average unit cost of slightly over \$86,000 per completed delivery order). These have figured prominently in the development of the Mission's food aid strategy, activities under the Private Sector Agribusiness component of the Agriculture Sector Support Project (ASSP), human resources development strategy and project design, anti-narcotics strategy and project design, MCH/Child survival strategy and project design, and the primary education strategy and initial design work.
- B. The contract also permitted the Mission to provide advisory services to the newly created Afghan Interim Government (AIG) when no other vehicle was available to the Mission to do so in its sectoral project portfolio.

- C. This contract has been a versatile, quick-response mechanism for special studies, project design/redesign, and project/subproject evaluation. In a number of instances the Mission was able to hand-pick the consultants and study team members, based on their specific expertise, and bring them on board with minimum time delays through the Nathan-Berger contract mechanism. This was much simpler and more efficient than using the time-consuming and cumbersome IQC method.
- D. The Nathan Berger contract brought to the program Bob Nathan's twenty years prior experience in managing the Planning Ministry in pre-war Afghanistan, including a wealth of contacts, networks, individuals and databases. No other contractor could have made this unique contribution to the program.
- E. As a result of almost 30 delivery orders designed, implemented and backstopped, versus an original estimate of ten, the administrative management costs of the contractor exceeded planned amounts three years into the contract. A budgetary adjustment had to be made, shifting some program funds to administrative overhead. It also reflected the almost 10 months delay in start-up of actual contract activities, while fixed costs (a Home Office Coordinator, facilities use, etc.) were being incurred. It further reflects the labor-intensive nature of small project activities, both on the part of the contractor as well as on the part of the Mission.
- F. Every Mission should have such a contract; it is extremely useful.

VIII. SUSTAINABILITY:

The Cross-border Humanitarian Assistance (CBHA) program for war-affected Afghans focussed its activities primarily on the provision of basic social and agricultural services, emergency food provision and logistical support to Afghans who chose to remain in their country in resistance-controlled areas, and on emergency relief and selected rural reconstruction activities. Sustainability was not an issue in the early years of the program but gained in prominence over time in health, education and reconstruction activities, as the Mission positioned itself to shift its program into a more development-oriented mode during the period 1992/1993. Because of the nature of the Nathan-Berger Afghanistan Studies contract, sustainability of the various subproject elements was neither anticipated nor expected.

ATTACHMENT

Nathan-Berger Delivery Orders

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|---|------------|
| 1. Macro-economic Database Development (Phase I) | Jan. 1990 |
| 2. Profile of Private Sector Cross-border Trade between Afghanistan and Pakistan (Phase I) | Nov. 1989 |
| 3. Expansion of the Activities of the Afghan Construction and Logistics Unit | Jan. 1990 |
| 4. Workshop on Project Objectives and Prospects | Aug. 1989 |
| 5. The Current Political and Economic Situation in Afghanistan (A.A. Ferogh) | Dec. 1989 |
| 6. Advice to the A.I.G. on the Afghan Monetary and Financial System (D. Syvrud) | Dec. 1989 |
| 7. Private Sector Cross-border Trade between Afghanistan and Pakistan (Phase II) | Oct. 1990 |
| 8. Afghanistan: Farmer-to-Farmer Training Program -- Feasibility Assessment and Pilot Design. | Feb. 1990 |
| 9. Commodity Export Program (306-0205) Re-design | May, 1990 |
| 10. Afghanistan Food Needs Assessment: AFGRAIN | May, 1990 |
| 11. Debt-Forgiveness for Afghanistan | Dec. 1990 |
| 12. Post-war Credit Needs for Afghanistan | March 1991 |
| 13. Afghanistan Land Ownership | Nov. 1991 |
| 14. Macro-economic Database Development (Phase II) | Oct. 1991 |
| 15. Mineral Resources in Afghanistan | Feb. 1992 |
| 16. Afghanistan Water Constraints Overview | April 1992 |
| 17. Afghanistan Program Performance Indicators: Baseline Study | Nov. 1991 |
| 18. Afghanistan Human Resources Development Training Needs Assessment | July 1991 |

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| 19. Afghanistan Human Resources Development:
Project Design | Oct. 1991 |
| 20. Environmental Profile of Afghanistan (Phase I) | June 1992 |
| 21. Afghanistan Program: Health Sector Evaluation | March 1992 |
| 22. a) Anti-narcotics Strategy Development and
b) Freight Rates Tracking System | June 1992 |
| 23. Opium Subsector Survey | Oct. 1992 |
| 24. Survey on Afghan Drug Use, Attitudes
and Media Accessibility | Nov. 1992 |
| 25. A.I.D. Mission Options for a Drug Control Strategy | Oct. 1992 |
| 26. Road Transportation and Freight Rates Tracking
Study | Cancelled |
| 27. (Reissued) Research Support for the Design
of the Proposed Afghanistan Projects in the
Primary Education and Health Sectors | Oct. 1993 |
| 28. Institutional and Administrative Analyses of the
Proposed Afghanistan MCH Sector Project | Dec. 1993 |
| 29. Review of the Afghanistan ACLU: Assessment
of the Capabilities of the Organization | Dec. 1993 |
| 30. Project Paper Drafting/Editing of the PP for
the Proposed Afghanistan MCH Sector Project | Dec. 1993 |

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